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## GENERAL NOTICE

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### NOTICE 512 OF 2012

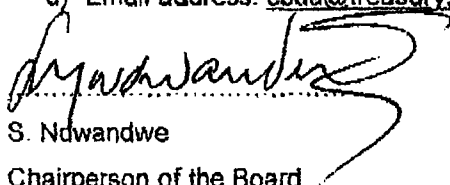
#### CO-OPERATIVE BANKS DEVELOPMENT AGENCY

#### DRAFT RULES FOR CO-OPERATIVE FINANCIAL INSTITUTIONS (CFI) APPLYING FOR REGISTRATION TO THE CBDA

I, Sifiso Ndwandwe, appointed as chairperson of the board of the Co-operative Banks Development Agency (CBDA), hereby publish for public comment, the DRAFT RULES FOR CO-OPERATIVE FINANCIAL INSTITUTIONS (CFIs) APPLYING FOR REGISTRATION TO THE CBDA as required through GOVERNMENT NOTICE 35368, NO 404 OF May 2012, point 3. (a) Conditions.

Written comments may be delivered personally, faxed or sent by email no later than 22 June 2012 for the attention of Mokgadi Mafojane, at the CBDA, to the following addresses:

- a) Postal Address: Private Bag X115, Pretoria, 0001
- b) Physical Address: 240 Madiba Street, Pretoria, 0002
- c) Fax No: 012 315 5905
- d) Email address: [cbda@treasury.gov.za](mailto:cbda@treasury.gov.za)



S. Ndwandwe  
Chairperson of the Board

28 May 2012

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## 1. Introduction

The Exemption Notice Program (ENP) policy framework provides guidance to the Co-operative Banks Development Agency (CBDA) as the designated regulator of Co-operative Financial Institutions (CFIs)<sup>1</sup>.

The premise of this framework is the withdrawal of Exemption Notice Numbers 887 and 1176 which designated **samaf** and SACCOL as the regulators of CFIs not registered as co-operative banks.

This framework provides for 'warehousing' of the exemption notice within the CBDA, taking cognizance of the need to provide for the possible transfer of the regulatory function of CFIs not registered as co-op banks to a representative body, once such body is accredited by the CBDA in terms of the Co-operatives Banks Act 2007 and is operationally ready to assume the responsibility.

This centralization of the regulation and supervision of CFIs will:

- minimise regulatory arbitrage;
- optimise the use of supervisory expertise and resources;
- minimising regulatory burden;
- alleviate confusion in the sector; and
- achieve the development objectives of the Act.

Government notice 35368, No 404 of May 2012, Point 3 (a) conditions states that "a co-operative financial institution shall at all times subject itself to the supervision and regulations of the CBDA." These rules serve as the framework for the CBDA's regulations.

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<sup>1</sup> In this policy document, unless otherwise stated, the phrase Co-operative Financial Institution (CFI) will be used to refer to all deposit taking co-operatives not registered in terms of the Co-operative Banks Act of 2007.

## **2. Purpose**

These rules operationalize the policy framework for the management of the Exemption Notice Program within the CBDA

## **3. Registration Process**

**Step 1:** A prospective CFI will apply to the CBDA (through the representative body\*) to register once it has met all the registration and membership requirements of the representative body.

**Step 2:** The CBDA, upon satisfaction that the CFI has met all the requirements for registration, will make recommendations to the ENP Committee.

**Step 3:** Once the approval for registration is granted, the CBDA will forward a copy of the application to the Registrar of Co-operatives, with a recommendation for registration.

**Step 4:** Upon issuance of the registration certificate by the Registrar of Co-operatives, the certificate will be forwarded back to the CBDA, which will issue the deposit taking certificate.

**Step 5:** The certificates will be forwarded to the representative body for distribution to the applying CFI.

### **\*Note**

*CFIs can submit their completed applications directly to the CBDA, until the administrative processes for the representative body are set up.*

## **4. Application to register a CFI with the CBDA**

- A CFI must meet all the requirements for registration in terms of the Cooperatives Act of 2005
- A CFI must meet all the requirements for membership of the representative body and provide a valid representative body membership certificate. *[Note: existing CFIs will also need to provide statements of compliance from the Registrar of Co-operatives.]*
- A CFI will be required to meet the CBDA rules, operational and prudential standards published by the CBDA and Registrar of Cooperatives;

- The intermediary completes the application forms (as per attachment 2-CBDA001);
- The completed application form is submitted to the representative body who will verify that it is completed in full, and all the necessary documentation is included.
- The application, upon verification will then be forwarded to the CBDA, with a supporting motivation;
- The CBDA will review the application and prepare summary recommendations to the ENP Committee who will consider the recommendations.
- If approved, the CBDA will forward a copy of the application to the Registrar of Co-operatives with a recommendation to register the CFI.
- Once the Registrar of Co-operatives issues the registration certificate to the CBDA, the CBDA will issue a depositing taking license. The CBDA will send the deposit taking license, (with or without conditions), and the Registrar of Co-operatives' certificate to the representative body.
- If rejected, notification as to the reasons for rejection will be provided to the CFI.
- All registered CFIs will appear on the CBDA website

#### 5. Criteria for Registration with CBDA

New Applications		Existing CFIs (registered with same CBDA001)	
<b>Form</b>	<b>CIPC (registrar of co-ops)</b>	<b>Form</b>	<b>CIPC (registrar of co-ops)</b>
CR1	Application form	Copy	Registration certificate from CIPC
CR4	Appointment of auditors	Letter	Letter of good standing/compliance from the Registrar of Co-operatives
CR5	Reservation of name		
Note 1	Three certified copies of constitution		
<b>Form</b>	<b>CBDA rules</b>	<b>Form</b>	<b>CBDA rules</b>
CBDA 001	Application form	CBDA 001	Application form
	Members resolution		Latest annual financial statement (end of latest financial year)
	Certificate of membership to a representative body		Certificate of membership to a representative body
	Proof of bank account		Proof of bank account
CBDA	Membership Share Register	CBDA	Membership Share Register

002	confirming 200 fully paid up members	002	confirming 200 fully paid up members
	At least R100,000 in shares		At least R100,000 in shares
Note 2	NCR certificate	Note 2	NCR certificate
Note 3	Business plan including <ul style="list-style-type: none"> <li>• Background</li> <li>• Human and operational capacity</li> <li>• Board experience, knowledge and qualifications</li> <li>• Three year financial forecasts</li> <li>• Product sheet</li> </ul>	Note 3	Business plan including <ul style="list-style-type: none"> <li>• Background</li> <li>• Human and operational capacity</li> <li>• Board experience, knowledge and qualifications</li> <li>• Three year financial forecasts</li> <li>• Product sheet</li> </ul>
Note 3	Policies <ul style="list-style-type: none"> <li>• Savings policy</li> <li>• Lending policy</li> </ul>	Note 3	Policies <ul style="list-style-type: none"> <li>• Savings policy</li> <li>• Lending policy</li> </ul>
CBDA 003	Signed Directors commitment	CBDA 003	Signed Directors commitment
	Proof of payment into CBDA bank account (deposit slip) of the application fee of R250		Proof of payment into CBDA bank account (deposit slip) of the application fee of R250

**Note 1:** Refer to guidance notes issued by CBDA available on <http://www.treasury.gov.za/coopbank/supervisory/guidancenotes/GN1of2010.pdf>

- Section on constitution: Page 15

Furthermore either the model FSC, SACCO or CFI constitutions must be presented for approval. The applying CFI must present/highlight any deviations from the model they are presenting. The model constitutions can be found at:

(a) FSC: [http://www.cipc.co.za/Coops\\_Constitutions.aspx](http://www.cipc.co.za/Coops_Constitutions.aspx)

(b) SACCO:

(c) Co-op Financial Institution:

<http://www.treasury.gov.za/coopbank/supervisory/guidancenotes/ModelConst20100910.pdf>

**NB:** Stokvel FSC constitutions will not be considered for registration

**Note 2:** If applicable

**Note 3:** Refer to guidance notes issued by CBDA available on <http://www.treasury.gov.za/coopbank/supervisory/guidancenotes/GN1of2010.pdf>

- Section on business plan: Page 20
- Section on savings policy: Page 22

- Section on lending policy: Page 24

All CFIs will be given three (3) months to comply with the application requirements.

#### **6. Reporting on Financial Performance and Prudential Requirements**

Registered CFIs are expected to report to the CBDA on their financial performance (CBDA Forms 051, 052, 053, 054, 060) on a quarterly basis for the following periods:

- 28 Feb
- 31 May
- 31 August
- 31 November

The financial year end for all registered CFIs will be 28 February.

#### **7. Renewals**

All registered CFIs will have to apply for renewal of their licenses with the CBDA within three months of expiration of the annual license.

To renew licenses, CFIs must submit the following documents:

- **CBDA Form 0012**
- Compliance letter from the Registrar of Co-operatives
- Letter of good standing from representative body
- Latest annual financial statements
- Proof of payment of renewal fee of R200

#### **8. Operational Requirements**

CFIs must comply with the CBDA performance standards (Appendix 1). On Application, CFIs not meeting current performance or operational standards could be provide a time frame in which these shortfalls must be addressed.

#### **9. Inspections of CFIs**

CFIs registered with the CBDA will be monitored through onsite inspections, as well as assessment of quarterly reports (CBDA Forms 051, 052, 053, 054)

CFIs will be required to comply with all the conditions as stipulated in the Government notice 35368, No 404 of May 2012 and other legislation

Registered CFIs may face fines and be issued with a non-compliance notice (**CBDA Form 004**), if in the opinion of the ENP Committee, having considered sufficient evidence, fails to:

- Maintain the minimum prudential and operational standards
- Comply with the conditions of registration as per the Exemption notice; and
- Comply with any directive issued by the ENP and/or Registrar of Co-operatives,

Two consecutive notice of the same requirement within 12 months may necessitate de-registration of CFI and;

Two consecutive non-compliance notice of different requirement with recommended corrective actions that were not attended to within 12 months may also necessitate de-registration.

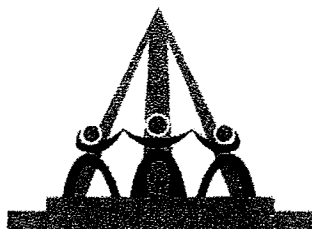
#### **10. Appeals**

CFIs may appeal against the decisions of the Regulator to the appeals board by completing **CBDA Form 006**

An appeals application fee of R1,000 will be charged for each appeal.

#### **11. FORMS**





## CO-OPERATIVE BANKS DEVELOPMENT AGENCY

27<sup>th</sup> Floor, 240 Vermeulen Street • Private Bag X1115, Pretoria, 0001 • Tel: 012 315 5367 • Fax: 012 315 5905 • email: CBDA@treasury.gov.za

### CBDA FORM 001: CFI APPLICATION FOR REGISTRATION

#### INSTRUCTIONS FOR COMPLETION OF FORM

- 1) Write, typewrite or print in legible characters with deep permanent black ink, and lodge one set of the documents (of international size A4) with the representative body.
- 2) The application form and every page of every document attached must be signed by the chairperson of the proposed co-operative financial institution (CFI)
- 3) An application, which does not comply with the requirements of the Co-operatives Act of 2005, its Regulations, Government notice 35368, No 404 of May 2012, the CBDA regulations (the Rules) or the notes on this Form may be rejected.
- 4) Provide an explanation and motivation in respect of any of the required documentation listed below which is not submitted.
- 5) Please note the regulator may require a proposed applicant to furnish him/her with additional information/documents, or a report by an auditor/or any other knowledgeable person approved by the CBDA-Regulator, on aspects relating to the application

#### BACKGROUND: CFI

DESCRIPTION	DETAILS
Full Name of Organisation:	
Abbreviated Name:	
Physical Address ( <i>where the CFI will be operating from</i> ):	
Telephone Number:	

Cell:	
Email:	
Common Bond <i>(please provide a brief description)</i>	
Representative Body Membership Number	
New application <input type="checkbox"/> Existing application <input type="checkbox"/> <i>(please tick as appropriate)</i>	
Number of Members <input type="text"/>	Total Member Share Savings <input type="text"/>
<b>CONTACT PERSON'S INFORMATION:</b>	
<b>Board Chairman:</b>	
Name .....	Telephone:..... Cell:..... Email:.....
<b>Manager</b>	
Name .....	Telephone:..... Cell:..... Email:.....

**SUPPORTING DOCUMENTATION (please enclose):**

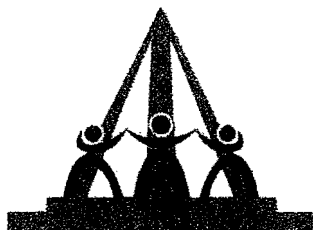
DOCUMENT		Please indicate as appropriate	
		Yes	No
Forms CR1, CR4 and CR 5 to be submitted to the Registrar of Cooperatives (For new CFIs only)			
Certificate of Confirmation of Incorporation issued by Registrar of Co-operatives (for existing CFIs only)			
Letter of compliance/good standing issued by Registrar of Co-operatives (for existing CFIs only)			
Certificate of Membership to a registered Representative Body			
Two (2) certified copies of the CFI's constitution that meets the requirements of constitution guidelines issued by the CBDA			
Annual financial reports for the last 2 years (for existing CFIs only)			
Proof of member shares to the value of R100,000			
Latest certified bank statement			
Member Resolutions to apply to CBDA for registration (for new applications only)			
Member Share register (showing at least 200 fully paid up members – CBDA Form 002),			
Business plan which INCLUDES:	• A short description of the background of the organization, experience in the sector and overall strategy to serve the target market.		
	• Its human and operational capacity to operate efficiently and competently		
	• The board of directors and management experience, knowledge and qualifications		
	• 3 year financial forecast showing viability plan of the entity		
	• Product Sheet		
Credit/loans Policy (if applicable)			
Savings policy			
Signed Directors' Commitment (CBDA Form 003)			
Proof of payment of CBDA application fee			

**DIRECTORS' SIGNOFF:**

DIRECTOR NAME & SURNAME	POSITION BOARD	ON	CONTACT NUMBER	SIGNATURE	DATE
	Chairman				
	Treasurer				

**MOTIVATION BY REPRESENTATIVE BODY**Signed.....(*on behalf of the Representative Body*)

Date.....



## CO-OPERATIVE BANKS DEVELOPMENT AGENCY

27<sup>th</sup> Floor, 240 Vermeulen Street • Private Bag X115, Pretoria, 0001 • Tel: 012 315 5367 • Fax: 012 315 5905 • email: CBDA@treasury.gov.za

### CBDA FORM 012: APPLICATION FOR ANNUAL LICENSE RENEWAL

#### INSTRUCTIONS FOR COMPLETION OF FORM

- 1) Write, typewrite or print in legible characters with deep permanent black ink, and lodge one set of the documents (of international size A4) with the representative body.
- 2) The application form and every page of every document attached must be signed by the chairperson of the proposed co-operative financial institution (CFI)
- 3) Any renewal, which does not comply with the requirements of the Co-operatives Act of 2005, its Regulations, Government notice 35368, No 404 of May 2012, the CBDA regulation (the Rules) or the notes on this Form may be rejected.
- 4) Provide an explanation and motivation in respect of any of the required documentation listed below which is not submitted.
- 5) Please note the regulator may require a proposed applicant to furnish him/her with additional information/documents, or a report by an auditor/or any other knowledgeable person approved by the CBDA-Regulator, on aspects relating to the renewal

#### BACKGROUND: CFI

DESCRIPTION	DETAILS
Full Name of Organisation:	
Abbreviated Name:	
Physical Address ( <i>where the CFI will be operating from</i> )	
Telephone Number:	
Cell:	
Email:	

Common Bond (please provide a brief description)		
Representative Body Membership Number		
Number of Members	<input type="text"/>	Total Member Share Savings <input type="text"/>
<b>CONTACT PERSON'S INFORMATION:</b>		
<b>Board Chairman:</b>		
Name .....	Telephone:.....	
	Cell:.....	
	Email:.....	
<b>Manager</b>		
Name .....	Telephone:.....	
	Cell:.....	
	Email:.....	

**SUPPORTING DOCUMENTATION (please enclose):**

DOCUMENT	Please indicate as appropriate	
	Yes	No
Letter of compliance/good standing issued by Registrar of Co-operatives		
Letter of good standing from a CBDA registered representative body		
Annual financial statements		
Signed Directors' Commitment (CBDA Form 003)		
Schedule of Directors (CBDA Form 007)		
Proof of payment of CBDA renewal fee		

**DIRECTORS' SIGNOFF:**

DIRECTOR NAME & SURNAME	POSITION ON BOARD	CONTACT NUMBER	SIGNATURE	DATE
	Chairman			
	Treasurer			

**MOTIVATION BY REPRESENTATIVE BODY**Signed.....(*on behalf of the Representative Body*)

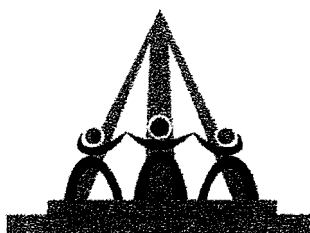
Date.....



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### CBDA FORM 003: BOARD OF DIRECTORS COMMITMENTS

We, as directors of the ..... CFI, on this the .....day of .....

....20.....commit ourselves to ensuring that:

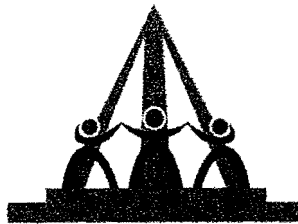
- 1) Board of Directors, Audit/Supervisory Committee Members, Credit Committee members and full time staff will complete CBDA designated course/courses within one year of being elected as directors.
- 2) As directors we further commit to ensuring that the person employed as the General Manager, Managing Director, Manager, administrator or person ultimately responsible for the day-to-day running of the CFI will be competent and employed in a fair and transparent manner. The incumbent will have a minimum NQ level 4 qualification or equivalent experience with knowledge in book-keeping/accounting.
- 3) We commit to ensuring that the Co-operative Finance Institution operates within the terms of the Co-operatives Act, Exemption Notice, CBDA Rules, the co-operative principles and the CBDA CFI performance standards.
- 4) We undertake to ensure that our members are made aware, at least once a year, on the activities of the CFI and the co-operative principles.
- 5) We undertake to inform the CBDA of any operational changes in the CFI within three (3) months of such a change.

**We also acknowledge that:**

- 1) Failure to comply with any of the CBDA Rules and conditions of the licence will result in non compliance notices which may lead to deregistration of the CFI.
- 2) We owe our members a duty of care and may be held liable should the CFI misuse member savings during our term of office.

Signed (at least four directors must sign on behalf of the board):

	Name	Surname	Signed
Chairperson			
Vice Chairperson			
Treasurer			
Secretary			
Director			
Director			



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### CBDA FORM 004: NON COMPLIANCE NOTICE

(Reference Number :.....)

1. Notice of non-compliance by a registered deposit taking cooperative in terms of (Tick box):

<input type="checkbox"/>	Government notice 35368, No 404 of May 2012
<input type="checkbox"/>	CBDA Rules as approved June 2012

To:

<b>Name of CFI</b>	
<b>Address</b>	

2. It has come to the attention of the CBDA: Regulator of CFI, that your Cooperative Financial Institution is non-compliant.
3. In terms of your non-compliance, the CBDA: Regulator of CFI would like to bring to your attention the fact that you have failed to comply with the provisions of your registration as follows:

.....  
 .....

You are therefore required to take the following steps within the stated period:

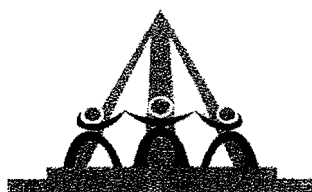
.....  
 .....

4. Note that you may object to this notice and request the Appeals Board, within 30 business days of receipt of this notice, after payment of the requisite fees, to review this notice. (Complete and submit form CBDA 006).
5. Kindly also further note that failure to comply with this notice may result in the Regulator recommending to the South African Reserve Bank (SARB) to deregister your CFI as a deposit taking institution.

Signed at .....[place] on this .....[day] of .....[month] of .....[year]

Signature of Regulator of CFIs.....

Full name of signatory: .....



## CO-OPERATIVE BANKS DEVELOPMENT AGENCY

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## CBDA FORM 005: QUARTERLY REPORT SUBMISSIONS

## (a) CBDA FORM 051: Balance Sheet

REPORTING CFI	
REPORTING QUARTER	

<u>Ac</u> <u>ct.</u>	<u>Description</u>	<u>Amou</u> <u>nt</u>	<u>Ac</u> <u>ct.</u>	<u>Description</u>	<u>Amount</u>
<b><u>I. EARNING ASSETS</u></b>			<b><u>II. NON-EARNING ASSETS</u></b>		
<b><u>A. Loans Outstanding</u></b>			36	<b><u>A. Liquid Assets</u></b>	
4	Short term ( $\leq 1$ year)		37	Cash on hand and equivalents	
5	Medium term (1-3 years)		38	Cash at bank/Current Account (Checking)	
6	Long term ( $> 3$ years)		39	Foreign Currency (If specifically authorised)	
7	Other special loans		40	Other Liquidity reserves 1	
	Subtotal Loans Outstanding		41	Other Liquidity reserves 2	
8	Loan loss allowance		42	Other liquid assets	
9	<b><u>Net Loans Outstanding</u></b>		43	<b><u>Total Liquid Assets</u></b>	
<b><u>B. Liquid Assets</u></b>			<b><u>B. Accounts Receivable</u></b>		
11	Deposit held with CBDA		45	Debtors	
12	Secondary co-op bank		46	Interest receivable	
13	Tertiary co-op bank		47	Notes receivable	
14	Commercial bank deposits		48	Payroll deductions receivable	
15	Bonds, debentures and collective investment schemes		49	Interbranch loans receivable	
16	<b><u>Total Liquid Investments</u></b>		50	Other accounts receivable	
			51	Receivable loss allowance	

<b>Total Non-Regulated Investments</b>		52	<b>Total Accounts Receivable</b>	
<b><u>B.2. Regulated Liquid Investments</u></b>				
	Liquidity Reserves		53	<b><u>C. Fixed Assets</u></b>
	Short-term Depos. in Regulated Fin.Inst.		54	Land
	ST Government or Reg.Securities & Inv.		55	Buildings (cost)
			56	Leasehold improvements
17	(-) Liquid Investments Allowances		57	Furniture and equipment
18	<b>Total Liquid Assets</b>		58	Revaluation of fixed assets
<b><u>C. Financial Investments</u></b>			59	Acc. Depreciation – buildings
<b><u>C.1. Financial Investments(redeemable after 32 days)</u></b>			60	Acc. Depreciation – leasehold improvements
20	Shares – secondary and tertiary tier affiliation		61	Acc. Depreciation – furniture and equipment
21	Deposits with higher tier co-operative banks		62	Acc. Depreciation – revaluations
22	Commercial bank deposits		63	<b>Total Net Fixed Assets</b>
23	Bonds and debentures			
24	Deposit held with the Agency		64	<b><u>D. Other Assets</u></b>
25	Collective investments		65	Assets in liquidation
26	Other financial instruments (specify)		66	Organisational expenses
27	<b>Total Financial Investments</b>		67	Prepaid expenses
	Shares in Financial Institutions		68	Other Deferred assets
	Long-Term Deposits in Fin.Institutions		69	Revaluation of other assets
	LT Government or Reg.Securities& Inv.		70	Accumulated Amortization
	Interbranch Investments		71	<b>Total Other Assets</b>
			72	<b><u>E. Problem Assets</u></b>
28	(-) Financial Investments Allowances		73	Doubtful assets
29	<b>Total Financial Investments</b>		74	Sundry – Assets
	<b><u>D. Non-Financial Investments</u></b>		75	Other problem assets
31	Various		76	Problem asset allowance
32	Non-Financial Investment.		77	<b>Total Problem Assets</b>

	Allowances				
33	<b>Total Non-Financial Investments</b>		78	<b>TOTAL NON-EARNING ASSETS</b>	
	<b>TOTAL EARNING ASSETS</b>			<b>TOTAL ASSETS</b>	

**LIABILITIES & CAPITAL**  
**III. INTEREST BEARING**  
**LIABILITIES**

**A. Member Savings Deposits**

83	Regular Savings	
84	Fixed deposits > 3m-5y	
85	Youth savings	
86	Special savings (incl. Xmas/education)	
87	Pledged savings	
88	<b>Total Savings Deposits</b>	

**B. External Credit**

	Higher tier co-operative bank (< or =1 Year)	
90	Higher tier co-operative bank (>1 year)	
91	Commercial Banks	
92	Development institutions	
93	CBDA	
94		
95	<b>Total External Credit</b>	

96	<b>Total Interest-Bearing Liabilities</b>	
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**IV. NON-INTEREST BEARING LIAB.**

**A. Short-term Accounts Payable (<=30 days)**

98	Short Term Accounts payable (<=30 days)	
99	External credit payments (< or =30 days)	
100	Expenses accrued (SARS) Provisions (e.g. Employee	
101	benefits)	

**V. CAPITAL**

**A. Member Share Capital**

108	Mandatory Shares	
109	Voluntary Shares	
110	<b>Total Member Share Capital</b>	

**B. Transitory Capital**

111	Transitory Capital	
112	Asset Revaluations	
113	Education and social reserves	
114	Monetary reserves	
115	Other Reserves (donations)	
116	Sundry – Capital	
117	Other (specify)	
118	<b>Total Transitory Capital</b>	

119 **C. Institutional Capital**

120	Statutory Reserves	
121	Retained earnings	
122	Other reserves	
123	YTD Net Income (loss)	
124	<b>Net Institutional Capital</b>	
125	<b>TOTAL CAPITAL</b>	

102	Sundry – liabilities		
103	Other Liabilities		
	<i>Total non interest bearing liabilities</i>		
	<b><u>B. External Credit Payments (&lt;=30 days)</u></b>		
	Payments		
	<i>Total ST External Credit Payables</i>		
	<b><u>C. Provisions</u></b>		
	Employee Benefits		
	Audit & Supervision		
	Currency Devaluation		
	Other		
	<i>Total Provisions</i>		
	<b><u>D. Accounting Discrepancy - Liabilities</u></b>		
	Discrepancy		
	<i>Total Discrepancy</i>		
	<b><u>E. Other Liabilities</u></b>		
	Other Accounts Payable		
	Dividends		
	Interest-Free Loans		
	Other		
	<i>Total Other Liabilities</i>		
104	<b>TOT. NON-INT. BEARING LIAB.</b>		
105	<b>TOTAL LIABILITIES</b>		
	<b>126 TOTAL LIABILITIES &amp; CAP.</b>		

## (b) CBDA FORM 052: Income Statement

REPORTING CFI	
REPORTING QUARTER	

<u>Acct</u>	<u>Description</u>	<u>Amt</u>	<u>Acct</u>	<u>Description</u>	<u>Amt</u>
	<b>Income</b>			<b>Operating Expenses</b>	
	<b>I. INCOME</b>		<b>P</b>	<b><u>Personnel</u></b>	
200	<b><u>Income From Loans</u></b>			Employees Nett Salaries	
201	Interest income from loans			Employee SARS	
202	Delinquent penalty Interest income from loans			Staff Travel & Related Expenses	
203	Commissions / fees from loans			Education & Training	
204	Insurance premiums for loans			Other	
205	<b>Net Loan Income</b>			<b>Total Personnel Expenses</b>	
			<b>R</b>	<b><u>Governance</u></b>	
206	Income from liquid investments			Board & Committee Expenses	
207	Income from financial investments			Annual General Meeting	
208	Income from non-financial investments			Board & Committee Training	
209	Fees, commissions income (loan-unrelated)			League/Federation & Other Dues	
210	Income from other sources			Other Board/Committee Expenses	
211	<b>Financial Income</b>			<b>Total Governance Expenses</b>	
			<b>S</b>	<b><u>Marketing</u></b>	
	<b>II. FINANCIAL COSTS</b>			Publicity	
214	Interest expenses on savings deposits			Other marketing related costs	
215	Insurance premiums on deposits			<b>Total Marketing Expenses</b>	
216	Financial costs on external credit		<b>T</b>	<b><u>Administration</u></b>	
217	Dividend expenses on shares			Rent	
218	Insurance premiums for shares			Stationary	
219	Taxes paid on dividends paid on shares			Telephone	
220	Financial costs – shares			Water/Electricity	
221	Other financial costs			Other Admin Costs	
222	<b>Total Financial Costs</b>			<b>Total Administration</b>	

		<b>Expenses</b>	
	U	<b><u>Audit</u></b>	
III Gross Margin		Audit Fee	
223 NET FINANCIAL INCOME		<b>Total Audit Expenses</b>	
231 TOTAL OPERATING EXPENSES	V	<b><u>Depreciation</u></b>	
232 PROVISIONS FOR RISK ASSETS	230	Depreciation	
233 NET INCOME FROM OPERATIONS		<b>Total Depreciation Expenses</b>	
234 OTHER INCOME / EXPENSES			
235 Income from grants		<b>Total Operating Expenses</b>	
236 Previous periods adjustments (Net)			
237 Extraordinary income (Net)		<b>Number of SACCO users</b>	
238 TOTAL OTHER INCOME / EXPENSES		Men	
239 Income Tax		Women	
		Gender not reported	
		Groups	
VIII. NET INCOME / LOSS		Total number of members and users	0
<u>AMOUNT TRANSFERRED TO RESERVES</u>			

## (c) CBDA FORM 053: Delinquency Loan Report

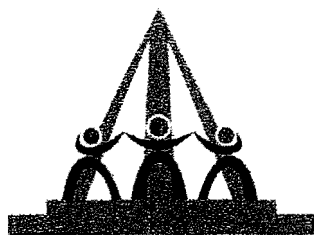
<b>REPORTING CFI</b>				
<b>REPORTING QUARTER</b>				
<b>Days in Arrears</b>	<b># of Loans</b>	<b>Loan Balances</b>	<b>Security (if any)</b>	<b>Provisions</b>
0 - 29 "Current"				
30 - 90 "Special Mention"				
91 - 180 "Substandard"				
181 - 360 "Doubtful"				
361 or more "Loss"				
<b>Totals</b>	0	0	0	0

Past Due Loans (i.e. 30+) as percentage of Total Loans	
Non-Performing Loans (i.e. 90+) as percentage of Total Loans	







## CO-OPERATIVE BANKS DEVELOPMENT AGENCY

27<sup>th</sup> Floor, 240 Vermeulen Street • Private Bag X115, Pretoria, 0001 • Tel: 012 315 5367 • Fax: 012 315 5905 • email: CBDA@treasury.gov.za

### CBDA FORM 006: APPEALS NOTIFICATION

Notice of Appeal Against Decision of The Regulator as per the CBDA Rules as adopted on June 2012

To:  
The CBDA Managing Director

<b>Name of Applicant</b>	
<b>Registration Number</b>	
<b>Address</b>	
<b>Contact Person</b>	
<b>Contact Details</b>	<b>Phone:</b>
	<b>Cell:</b>
	<b>Email:</b>

#### Details of Objection

With reference to Compliance Notification, Reference Number .....

Appeal (state the basis for your appeal – with supporting documentation if applicable. Please use additional pages if required.).....

#### Declaration by Applicant

The applicant confirms that the information contained in this application is accurate and complete.

Signature..... Date .....

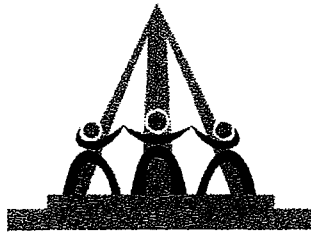
#### For office use

Signature of authorized CBDA representative to receive appeal:

.....

Name: .....

Date:

**CO-OPERATIVE BANKS DEVELOPMENT AGENCY**

27<sup>th</sup> Floor, 240 Vermeulen Street • Private Bag X115, Pretoria, 0001 • Tel: 012 315 5367 • Fax: 012 315 5905 • email: CBDA@treasury.gov.za

**CBDA FORM 007: DIRECTORS SCHEDULE (for annual license renewals only)**

Surname	Name	ID Number	Cellphone	Physical Address



## CO-OPERATIVE BANKS DEVELOPMENT AGENCY

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**APPENDIX 1: MINIMUM PERFORMANCE STANDARDS FOR CFIs'**

CFIs will be inspected and rated on their ability to meet the following minimum standards.

No	STANDARD	DESCRIPTOR	MINIMUM
1	<b>Registration</b>	CIPC (CIPRO)	√
		Representative Body	√
		SARS	√
		NCR	√
		UIF	√
		CBDA / SARB	√
2	<b>Outreach</b>	No. of active members	min 200*
		No. of active savers	min 200*
4	<b>Compliance</b>	Financial Statements (Returns)	Quarterly
		Audit Financial Statements	Annually
		Board meetings	Monthly
		Annual General Meetings	Annually
3	<b>Signs of Growth</b>	Membership Growth	15% pa
		Assets Growth	Inflation + 10%
4	<b>Portfolio Quality</b>	Delinquency	< 5%
		Loan Loss Provision Ratio	
		Total loan portfolio	2%

		1 – 6 months	35%
		6 – 12 months	50%
		12 months & above	100%
5	<b>Sustainability/Profitability</b>	Operating Expenses	< 5%
		Savings to Total Assets	70 – 80
		Loans to Total Assets	max 80%
		External Credit	max 15%
		Net Institutional Capital	10 %
		Solvency	100% +
		Non-earning and fixed Assets	max 5%
6	<b>Capital Structure</b>	Member Share Capital	Min R100,000
		Capital Adequacy Ratio	min 6%
7	<b>Liquidity</b>	Liquidity Ratio	10 – 20 %
8.	<b>Exposures</b> (as a percentage of total assets)	Board loans collectively	Max 25%
		Loan per member	Max 10%
		Individual share investment	Max 20%
		Individual savings deposit	Max 20%
		Investments (excluding member loans) only into instruments with a guaranteed return.	

CFIs will be inspected and rated on their ability to meet the following minimum standards toward which all should strive.

No	PERFORMANCE AREA	DESCRIPTOR	MINIMUM
1	Governance	<b><u>Constitution</u></b>	
		<ul style="list-style-type: none"> <li>Compliant to constitution which is reviewed from time to time</li> </ul>	√
		<b><u>Board of Directors</u></b>	
		<ul style="list-style-type: none"> <li>Number of fit and proper board members</li> <li>Term of office ( 3 Yrs. Per Term)</li> <li>Meetings</li> <li>Minutes</li> </ul>	9 – 15 2 Terms Monthly √
		<b><u>Board Committees</u></b>	√
		<ul style="list-style-type: none"> <li>Governance Committee</li> <li>Credit Committee</li> <li>Supervisory/Audit committee</li> <li>Education &amp; Training Committee</li> </ul>	
		<b><u>Strategic Plan &amp; Business Plan</u></b>	√
		<ul style="list-style-type: none"> <li>Documented, Implemented &amp; Reviewed</li> <li>Mission, Vision, Organogram, Key Strategic Issues, Objectives, Targets, Timelines and Responsible People,</li> </ul>	
		<b><u>Financial Reporting, Audit &amp; AGMs</u></b>	
		<ul style="list-style-type: none"> <li>Financial Reports               <ul style="list-style-type: none"> <li>Income Statement</li> <li>Balance Sheet</li> </ul> </li> <li>Audited Financial Reports</li> <li>General Meetings</li> </ul>	Quarterly Quarterly  Annual Annual

2	<b>Policies &amp; Procedures</b>	<ul style="list-style-type: none"> <li>• Savings</li> <li>• Loans, Loan Write-Off,</li> <li>• Membership Recruitment</li> <li>• Liquidity Management</li> <li>• Investment</li> <li>• Human Resource <ul style="list-style-type: none"> <li>• Performance Management</li> <li>• Succession Planning</li> <li>• Training &amp; Development</li> <li>• Staff Recruitment, Contracts &amp; Job Descriptions</li> <li>• Maintain Management &amp; Staff CVs</li> </ul> </li> <li>• Procurement</li> <li>• Health &amp; Safety</li> <li>• IT</li> <li>• Security</li> <li>• Code of Conduct of Board and Management</li> <li>• Risk management policies</li> <li>• Review of Policies</li> </ul>	<u>Documented,</u> <u>Adhered to &amp;</u> <u>Reviewed</u>          √
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3	<b>Management</b>	<p><u>CFI Physical Structure</u></p> <ul style="list-style-type: none"> <li>• Office</li> <li>• Office Furniture, Computers</li> <li>• Banking Hall</li> <li>• Security</li> <li>• Safe and strong Room</li> <li>• Fire Detectors</li> <li>• Alarm system</li> </ul> <p><u>Human Resources Management</u></p> <ul style="list-style-type: none"> <li>• Staff Training programmes</li> <li>• Job descriptions</li> <li>• Contract / Conditions of service</li> <li>• Performance management system</li> <li>• Qualified management and staff</li> <li>• Organization Chart and Salary Structure</li> </ul> <p><u>Record Keeping</u></p>	<u>Established</u> <u>and reviewed</u>   √       √
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		<ul style="list-style-type: none"> <li>• Financial Reporting to Board</li> <li>• Recruit bookkeeper / accounts clerk</li> <li>• Minutes</li> <li>• Member Documents</li> <li>• Source Documents</li> <li>• Financial Records</li> <li>• Information Back-Up</li> </ul> <p><b><u>Management Information Systems (M.I.S)</u></b></p> <ul style="list-style-type: none"> <li>• Integrated banking and accounting system</li> <li>• System Access Control</li> <li>• Back-up</li> <li>• Disaster Recovery Plan</li> </ul> <p><b><u>Internal Controls</u></b></p> <ul style="list-style-type: none"> <li>• Segregation of Duties</li> <li>• Authorisations</li> <li>• Access Controls</li> </ul>	<p>√</p> <p>monthly</p> <p>√</p> <p>√</p>
4	Financial Management	<p><b><u>Accounting</u></b></p> <ul style="list-style-type: none"> <li>• Financial Statements Analysis</li> <li>• Bank Reconciliation Statements</li> <li>• Register of Assets</li> <li>• Secure Investments</li> </ul> <p><b><u>Compliance</u></b></p> <ul style="list-style-type: none"> <li>• Financial Reporting - CBDA</li> <li>• Financial Reporting - Registrar of Co-ops</li> <li>• All Minimum Requirements above (1-6)</li> <li>• All other Legal Requirements</li> <li>• Minimum Prudential</li> </ul>	<p>Monthly</p> <p>Monthly</p> <p>Current</p> <p>√</p> <p>Quarterly</p> <p>Annually</p> <p>√</p> <p>√</p> <p>Quarterly</p>



5	<b>Marketing &amp; Products</b>	<ul style="list-style-type: none"> <li>• Marketing Budget</li> <li>• Marketing Task Team/Officer</li> <li>• Marketing Plan</li> <li>• Signage</li> <li>• Branding</li> <li>• Member Recruitment Plan</li> <li>• Advertising - print &amp; electronic media</li> <li>• Research member product needs</li> <li>• Product Development &amp; Review</li> <li>• Product Pricing &amp; Costing</li> <li>• Product prototype &amp; test-runs before rollout</li> <li>• Member Feedback Mechanisms</li> <li>• Enhance branding, marketing plan – etc once registered as a Co-operative Bank</li> <li>• Introduce ATM – Advanced IT Banking</li> </ul>	<u><b>Developed &amp; Implemented</b></u>  √
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6	<b>Co-operative Principles</b>	<u><b>Open &amp; Voluntary Membership</b></u> <ul style="list-style-type: none"> <li>• Members join without discrimination</li> </ul> <u><b>Democratic Member Control</b></u> <ul style="list-style-type: none"> <li>• Members to attend meetings</li> <li>• Members' influence on how the CFI is run</li> </ul> <u><b>Autonomy &amp; Independence</b></u> <ul style="list-style-type: none"> <li>• Non-availability of outside influence in the management and operations of the CFI</li> </ul> <u><b>Education, Training &amp; Information</b></u> <ul style="list-style-type: none"> <li>• Display Principles at CFI Office</li> <li>• Hand-out Principles to members &amp; prospective members</li> <li>• Educate all members about the cooperative</li> <li>• Regularly update members of CFI progress</li> <li>• Financial Literacy, budgeting, business development training for members</li> </ul>	<u><b>Comply To</b></u>  √   √   √  √
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		<p><b><u>Member Economic Participation</u></b></p> <ul style="list-style-type: none"> <li>• Members to save continuously</li> <li>• Members to access loans for provident and productive purposes</li> </ul>	√
		<p><b><u>Cooperation amongst cooperatives</u></b></p> <ul style="list-style-type: none"> <li>• Financial Co-operative Forums</li> <li>• Participation in Local and international</li> <li>• Financial co-operative conferences</li> </ul>	√
		<p><b><u>Concern for the Community</u></b></p> <ul style="list-style-type: none"> <li>• Education Reserve Fund before dividends</li> <li>• Scholarships, Bursaries, Orphanage etc</li> <li>• Community Development Programs</li> </ul>	√